GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1311
ANSWERED ON:07.03.2008
SERVICE TAX FROM LOCAL SELF GOVERNMENT INSTITUTIONS
Francis George Shri K.;Sujatha Smt. C.S.

Will the Minister of FINANCE be pleased to state:

(a) whether Government had taken a decision to levy Service Tax on rental income of immovable properties of Local Self Government Institutions;

(b) if so, the quantum of such tax collected so far, State-wise;

(c) whether some States have objected to the collection of such taxes;and

(d) if so, the reaction of Government thereto?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM)

(a) Renting of immovable property, whether or not owned by Local Self Government, for use in the course or furtherance of business or commerce,is leviable to service tax with effect from 01.06.07.

(b) Collection of revenue from service tax State-wise for individual services is not collected and compiled.

(c) No State Government has objected levy of service tax on renting of immovable property.

(d) In view of (c) above, does not arise.